



S.B. 1201, An Act Concerning Authorization of State Grant Commitments for School Building Projects and Revisions to the School Building Projects Statutes

Committee on Education

March 15, 2023

The Associated General Contractors (AGC) of Connecticut is the building division of Connecticut Construction Industries Association (CCIA), representing 150 commercial, industrial, and institutional construction contractors, subcontractors, material suppliers and professionals serving the Connecticut commercial construction industry. AGC of Connecticut is a chapter of AGC of America.

This testimony is submitted in support of S.B. 1201, which contains state school construction grant commitments for FY 2023. The bill would fund 22 projects at a total cost of approximately \$1.02 billion, \$622 million of which would be funded by state grants.

We support S.B. 1201 because funding school construction projects will not only provide much-needed assistance to school districts on this year's school construction priority list, it will also result in substantial economic benefits to the state and the local communities in which the projects are built. The importance of investing in our country's infrastructure is critical to our country's quality of life and funding construction of our public schools as a key part of that public policy. From a construction standpoint, the benefits derived from school construction projects come from the creation or maintenance of construction jobs and the economic activity generated by the projects.

Construction produces a multiplier effect on the economy, all the way up and down the industry supply chain. Using economic modeling developed by an economist at the University of Colorado for the Associated General Contractors of America, we can project the impact of construction and related investment on state employment, labor income, employee compensation, value added (state gross domestic product) and gross output (total spending in the state).

For the purposes of estimating economic output and jobs produced by the school construction projects listed in the bill, S.B. 1201 assumes total project costs of approximately \$1.02 billion, both state and local share. The AGC model estimates for that amount in the non-residential construction category in Connecticut, the total jobs affected would be 12,032 jobs and the total economic output would be about \$1.37 billion spread out over the period of construction. Total (direct, indirect, and induced) employment impacts would be driven from direct activity, supply chain purchases, and employee spending.

Thank you very much for your consideration of our views on these important proposals.